The Church of Jesus of Christ of Latter-day Saints Trust Board

Consolidated Financial Statements
31 December 2013

The Church of Jesus Christ of Latter-day Saints Trust Board

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Mark 1:17 "And Jesus said unto them, Come ye after me, and I will make you to become fishers of men".

The Church of Jesus Christ of Latter-day Saints Trust Board

Statement of Comprehensive Income
For the year ended 31 December 2013
In thousands of New Zealand Dollars

	Note	2013	2012
Income			
Grants, tithing and other donations			
Grant income		30,149	10,020
Donations		37,576	35,150
		67,725	45,170
Sales income			
Sale of Literature and Supplies		1,158	979
Other sales income		96	114
Cost of sales		(1,491)	(1,357)
Gross profit		(237)	(264)
Other income			
Rental income		1,254	1,151
Gain (Loss) on sale of assets		231	546
Other income		95	710
Interest income		134	414
Foreign exchange gains/ (losses)		(1)	(11)
		1,713	2,810
Expenditure			
Remuneration and other employee benefits	7	19,191	18,666
Defined benefit plan movements (excluding actuarial movements)		(310)	(5,844)
General and administrative expenses		10,483	11,365
Facility lease and operating costs		11,890	9,078
Depreciation		12,276	10,372
Grants, donations, humanitarian and local unit expenses		5,211	5,286
Total expenditure	6	58,741	48,923
Surplus for the year		10,460	(1,207)
Other comprehensive income			
Defined benefit plan actuarial gains/ (losses)	13	10,515	2,648
Total comprehensive income for the year		20,975	1,441

The Church of Jesus Christ of Latter-day Saints Trust Board

Statement of Changes in Equity
For the year ended 31 December 2013
In thousands of New Zealand Dollars

	Note	Retained earnings	Reserves	Total Equity
Balance 1 January 2012		153,430	19,792	173.222
Total comprehensive income for the year				
Surplus for the year		2,870	-	2,870
Other comprehensive income		(1,429)	-	(1,429)
Total comprehensive income for the year		1,441	-	1,441
Transactions with non-owners recorded directly in equity				
Transfer between equity reserves	18	(1,046)	1,046	-
Transactions with owners recorded directly in equity			-	-
Balance 31 December 2012		153,825	20,838	174,663
Total comprehensive income for the year				
Surplus for the year		10,460		10,460
Other comprehensive income		10,515		10,515
Total comprehensive income for the year		20,975	-	20,975
Transactions with non-owners recorded directly in equity				
Transfers between equity reserves	18	(1,001)	1,001	-
Transactions with owners recorded directly in equity			-	-
Balance 31 December 2013		173,799	21,839	195,638

The accompanying notes form part of these financial statements

The Church of Jesus Christ of Latter-day Saints Trust Board

Statement of Financial Position
For the year ended 31 December 2013
In thousands of New Zealand Dollars

	Note	2013	2012
Assets			
Current			
Cash and cash equivalents	8	6,452	4,353
Trade debtors and other receivables	9	1,455	1,931
Inventories	10	206	206
		8,113	6,489
Non current			
Property, plant and equipment	14	178,146	169,716
Deseret Benefit Plan Asset	13	13,446	2,621
Total assets		199,705	178,826
Liabilities			
Current			
Trade creditors and other payables	11	1,754	1,647
Employee entitlements	12	2,312	2,515
		4,066	4,163
Non current			
Employee entitlements		-	-
Total liabilities		4,066	4,163
Equity			
Retained earnings		173,800	153,825
Reserves	18	21,839	20,838
Total equity		195,639	174,663
Total equity and liabilities		199,705	178,826

These financial statements are approved for issue by the Trust Board as at 5 September 2014.

The accompanying notes form part of these financial statements

The Church of Jesus Christ of Latter-day Saints Trust Board

Statement of Cash Flows

For the year ended 31 December 2013

In thousands of New Zealand Dollars

	Note	Trust 2013	2012
Cash flows from operating activities			
Receipts from Church Head Office in USA		22,490	1,034
Grants and donations received		45,235	44,135
Receipts from sales income		1,255	1,093
Other receipts		1,825	3,106
Interest received		134	414
Payments to suppliers and employees		(48,365)	(44,981)
Net cash flows from operating activities	15	22,575	4,802
Cash flows from investing activities			
Purchase of investments		-	-
Proceeds from sale of property, plant and equipment		230	546
Purchase of property, plant and equipment		(20,706)	(7,553)
Net cash flows used in investing activities		(20,476)	(7,007)
Net increase in cash and cash equivalents		2,099	(2,205)
Cash and cash equivalents at beginning of year		4,353	6,558
Cash and cash equivalents at end of year		6,452	4,353

Helping in the Community - Mormon Helping Hands volunteers plant native trees and flax as part of a river valley restoration project in conjunction with Tauranga City Council on 23 February 2013.

Notes to the financial statements
For the year ended 31 December 2013

1 Reporting entity

These financial statements comprise the financial statements of The Church of Jesus Christ of Latter-Day Saints Trust Board (the "Trust"), for the year ended 31 December 2013.

The Trust was created pursuant to a trust deed dated 9th May 1921 and was incorporated by private act of the New Zealand Parliament entitled the "Church of Jesus Christ of Latter-day Saints Empowering" Act (1957/1).

The Trust is a charitable trust incorporated under the Charities Trusts Act 1957, and registered under the Charities Act 2005, and therefore is exempt from income tax.

The principle activity of the Trust is to advance the work of The Church of Jesus Christ of Latter-day Saints (the "Church") in New Zealand by providing it with all temporal support that is required in that effort.

As a religious organisation, the Trust's purposes include the:

- *design, construction and maintenance of places of worship and other church facilities;*
- *provision of religious materials and education services;*
- *organization of disaster relief and other humanitarian aid projects;*
- *provision of counselling and other social services;*
- *training of missionaries and support of the Church's missionary program; and*
- *translation of religious and educational materials.*

None of the Trust's work is carried on for pecuniary profit.

The registered address of the Trust is 11 Huron Street, Takapuna, Auckland.

2 Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to public benefit entities. that qualify for and apply differential reporting concessions.

The Trust qualifies for Public Benefit reporting exemptions as its primary objective is to provide services to the community for social benefit and the Trust has been established with a view to supporting that primary objective rather than financial return. All available public benefit reporting exemptions available under NZ IFRS have been adopted.

3 Basis of preparation

(a) Basis of measurement

The financial statements have been prepared on a historical costs basis, except financial assets stated at their fair value and defined benefit pension plan obligations measured at fair value.

Accrual accounting is used to recognise revenue and expenses and the financial statements have been prepared on a going concern basis.

(b) Presentation currency

The information is presented in New Zealand dollars.

(c) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

(d) Comparatives

The comparative financial period is 12 months. Disclosures under the revised version IAS 19 have been presented for accounting periods ended 31 December 2012 as well as 31 December 2013 where appropriate to ensure consistency with the presentation of the current year's performance and results. With this exception the comparative net financial position and performance is consistent with that reported in the 31 December 2012 authorised financial statements.

(e) Changes in accounting policy and disclosure

The accounting policies adopted for the year ended 31 December 2013 are consistent with those of the previous financial year.

The Trust has reviewed changes to New Zealand equivalents to IFRS and IFRIC interpretations and advises that these will result in no change to previous reporting or that the changes are not applicable.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements

(a) Foreign currency translation

The Trust holds financial assets denominated in foreign currencies. Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date, being the date when fair value is measured.

All realised and unrealised gains or losses on foreign currency translation are recognised in the Statement of Comprehensive Income.

(b) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(c) Trade and other receivables

Trade and other receivables are measured at cost less any impairment losses.

A provision for impairment is established where there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivable.

Receivables with a short duration are not discounted.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value (being the net selling price), with due allowance for any damaged and obsolete stock items.

Cost is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

Any write down in the cost of inventory to net realisable value is recognised in the Statement of Comprehensive Income.

4 Significant accounting policies (continued)

(e) Property, plant and equipment

Property, plant and equipment is measured at cost or valuation, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(i) Capitalisation

All items of plant, equipment and vehicles are capitalised if the individual value is greater than $US10,000. All items with individual value below US$10,000 are expensed.

(ii) Additions

The cost of replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Trust and the cost of the item can be measured reliably.

(iii) Disposal

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the reported profit or loss.

(iv) Depreciation

Depreciation is charged on a straight-line basis on all property, plant and equipment (except for land) over the estimated useful life of the asset. Depreciation is charged to the profit or loss in the Statement of Comprehensive Income. The following depreciation rates have been applied to each class of property, plant and equipment:

Land and improvements	30 to 40 years (improvements only)
Buildings and improvements	30 to 40 years
Furniture and fittings	3 years
Plant and equipment	3 to 10 years
Motor vehicles	3 years

The residual value of property, plant and equipment is reassessed annually.

(f) Trade and other payables

Trade and other payables are measured at amortised cost using the effective interest rate method.

(g) Provisions

A provision is recognised when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

A provision for onerous contracts is recognised when the expected benefits expected from the contract are lower than the unavoidable costs of meeting contract obligations.

(h) Employee entitlements

Short term benefits

Employee benefits that the Trust expects to be settled within 12 months of balance date are measured at nominal value based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

4 Significant accounting policies (continued)

The Trust recognises a liability for sick leave. The amount is calculated based on the unused sick leave entitlements that can be carried forward at balance date, to the extent that the Trust anticipates that it will be used by staff to cover those future absences.

Deseret Benefit Plan
The Trust is the trustee of the Deseret Benefit Plan (the "Plan"), a registered superannuation scheme that provides employees of the Church with pension benefits on retirement. The Plan is a defined benefit pension scheme. As trustee of the Plan, the Trust is liable for any underfunded past service pension obligations.

The liability amount recognized for defined benefit pension scheme obligations (if any), at each reporting date, is determined by actuarial valuation; and is the net total of the present value of the defined benefit pension scheme obligation, plus any actuarial gains, minus past service costs as well as the fair value of the Plan assets out of which the obligations will be settled.

Past service costs are recognised as an expense in the period when the plan is amended.

The rate used to discount pension plan benefit obligations is determined by the actuaries by reference to market yields at the end of the reporting period on high quality bonds. The currency and term of the corporate bond is consistent with the currency and estimated term of post employment benefit obligations.

Actuarial assumptions used in measuring fair value of defined benefit obligations are based on the Plan being a going concern at the balance sheet date. Actuarial assumptions are not adjusted for curtailment or settlement of the Plan, until this event occurs.

(i) GST
All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue is included as part of receivables or payables in the Balance Sheet.

(j) Income tax

Due to its charitable status, the Trust is exempt from income tax.

(k) Financial instruments
Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, investments and trade creditors and other payables. The Trust held no derivative financial instruments (i.e. hedging instruments) in the years reported.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for those carried at fair value through profit or loss, which are measured at fair value.

4 Significant accounting policies (continued)

Financial assets
The subsequent measurement of financial assets depends on their classification. The Trust currently holds financial assets in one classification:

(i) Loans and receivables
Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Financial instruments classified as *loans and receivables* include: trade debtors and other receivable balances, cash and cash equivalents and investments.

The classification depends on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

Financial liabilities
All financial liabilities held by the Trust are designated as "loans and receivables", being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method.

The Trust has no off-balance sheet financial instruments.

Impairment of financial assets
All financial assets are subject to review for impairment at least once each reporting date. Accounts receivable are reviewed for impairment when accounts are past due or when other objective evidence is received that a specific counterparty will default. Impairment of trade receivables are presented in the Statement of Comprehensive Income, within expenses.

(l) Impairment

The carrying amounts of the Trust assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

The estimated recoverable of assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indicators exist, the Trust estimates the asset's recoverable amount, to measure the reversal of any previous period impairment charges. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversals of impairment are recognised in the Statement of Comprehensive Income.

(m) Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Trust and revenue can be reliably measured. Revenue is measured at the fair value of consideration received. The Trust assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the Trust's own account is recognised as gross revenue in the Statement of Comprehensive Income.

4 Significant accounting policies (continued)

The following specific recognition criteria must be met before revenue is recognised:

Donations and grants
Donations and grants are recognised in the Statement of Comprehensive Income when received and all obligations associated with the donations and grants have been met. Where grants have been given for specific services, income will be recognised in the same period in which the specific service is provided. At balance date any unexpended specific funding is treated as a liability (income in advance).

Donated assets are recorded at their value at the date of donation. Like many other charitable organisations, the Trust often receives the benefit of people's time and service carried out free of charge, and this type of donation which cannot be readily quantified, is not recorded in the financial statements.

Sale of goods
Revenue from the sale of goods is recognized in the Statement of Comprehensive Income when the significant risk and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods.

Rendering of services
Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the reporting date.

Interest
Interest revenue is recognised as the interest accrues (using the effective interest method).

Rental income
Income from the rental of property is recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

5 Standards, amendments and interpretations issued that are not yet effective and have not been adopted early

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy). Under this Framework The Trust is classified as a Tier 1 reporting entity and it will be required to apply full public sector Public Benefit Entity Accounting Standards. The effective date for the new standard for public sector entities is for reporting periods beginning on or after 1 July 2014. The Trust will transition to the new standards in preparing financial statements for the period ended 31 December 2015. The Trust has not assessed the implications of the new Accounting Standards framework at this time.

Helping in the Community - Mormon Helping Hands volunteers help paint a Catholic church and ancilliary buildings in Auckland.

In thousands of New Zealand Dollars

6 Expenditure

Expenditure disclosed in the Statement of Comprehensive Income includes:		2013	2012
Audit fees	- for financial statement audit	-	-
	- for other services	-	-
Bank fees		62	46
Donations		-	165
Minimum lease payments - operating leases		4,670	2,732
Redundancy expenses		-	-

Donations above relate to payments made by the Trust Board on behalf of other Church entities in the Pacific Area.

7 Remuneration and other employee benefits

	2013	2012
Salaries and Wages	15,096	14,890
Redundancy expenses	-	-
Other employee benefit expenses	4,095	3,776
	19,191	18,666

8 Cash and cash equivalents

	2013	2012
Cash at bank and in hand	3,351	1,882
At call funds	1,734	860
Short term deposits	1,367	1,611
	6,452	4,353

Cash at bank earns interest at floating rates on daily deposit balances.

Short term deposits are made for varying periods of between six months and one year depending on the immediate cash requirements of the Trust, and earn interest at the respective short-term deposit rates.

The Church has a commitment with the Bank of New Zealand in the amount of $150,000 as security against payroll and other items (2012: $150,000)

Cash and cash equivalents include the following funds held in Trust:	2013	2012
Maori Agricultural College Memorial Scholarship Fund	51	50
Blair Johnson Education Trust	94	88
George Terry Trust	869	903
David Fisher Trust	16	15
Genealogical Trust	323	311
Area Education Fund	239	244
	1,592	1,611

Notes to the financial statements
For the year ended 31 December 2013
In thousands of New Zealand Dollars

9 Trade debtors and other receivables

	Trust 2013	2012
Trade receivables	337	869
GST receivable	1,250	1,374
Related party receivables	-	-
Other receivables	332	161
Less allowance for doubtful debts	(465)	(473)
	1,455	**1,931**

Allowance for doubtful debts:	Trust 2013	2012
Opening balance	(473)	(501)
Doubtful debts collected	8	4
Current year provision movement	-	24
	(465)	**(473)**

All trade receivables are subject to credit risk exposure. There is no concentration of credit risk with respect to receivables outside the entity, as the entity has a large number of customers. The carrying amount of trade and other receivables approximates their fair value.

As at 31 December 2013 there were no significant debtor balances overdue (i.e. greater than 30 days) that had not been provided for.

10 Inventories

	Trust 2013	2012
Physical inventory	206	206
	206	**206**

11 Trade creditors and other payables

	Trust 2013	2012
Trade creditors	55	95
Related party payables	257	571
Accrued expenses and other payables	1,442	981
	1,754	**1,647**

Trade creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

12 Employee benefit liabilities

	Trust 2013	2012
Accrued redundancy expenses	359	359
Annual leave	974	1,236
Other payroll deductions	979	920
	2,312	**2,515**
Employee benefits liabilities have been allocated to the balance sheet as follows:		
Current	2,312	2,515
Non-current	-	-
	2,312	**2,515**

In 2006, the Trust Board announced the closure of the Church College of New Zealand. This has resulted in $0 (2012:$0) of redundancies being paid during the year and a provision of $359,040 (2012:$359,040) for redundancy benefits continuing to accrue at year end.

In thousands of New Zealand Dollars

13 Deseret Benefit Plan

The Deseret Benefit Plan is a registered superannuation scheme that provides employees of the Church with pension benefits on retirement. Usually a member may exchange up to 25% of their pension for a lump sum, although full commutation is allowed in some cases. The Plan closed on 31 December 2012 and no longer accepts new members.

Members contribute at a rate of 4% of their salaries. They can also make additional voluntary contributions at their own discretion. Member voluntary contributions attract a subsidy of two thirds of the member's voluntary contribution amount, subject to a maximum of 2% of salary less contribution tax.

The Church's contributions are determined by the Church after considering the advice of the Plan's actuary. With effect from 1 March 2013 the Church has been contributing at a rate of 16.9% of members' salaries, including ESCT, as recommended at the 1 April 2012 statutory valuation. In addition the Church reimburses the Plan for the pensions paid to the disability pensioners.

Membership information

Membership information is extracted from Mercer's administration records and a summary as at 31 March provided below:

	2013	2012
Membership		
Disability pensioners	1	2
Active members	135	138
Pensioners	109	102
Average age		
Active members	48.9	48.4
Pensioners	73.7	72.6
Average pension and salary per annum		
Average pension of pensioners	$ 9,989	$ 9,706

Methodology

The membership information as at 31 December 2013 has been used to determine benefit obligations.

The market value of the assets is based on investment reports from the Plan's investment manager as at 31 December 2013 with an allowance for an estimate of current assets and liabilities at that date.

All actuarial gains and losses are recognised in Other Comprehensive Income.

Contribution tax has been allowed for by adjusting the balance sheet and superannuation expense items for Employer Superannuation Contribution Tax (ESCT), which is consistent with prior years.

Previous disclosures used a net of investment tax discount rate. This has been removed due to the new IAS 19 standard. The superannuation expense for the years commencing 1 January 2012 and 1 January 2013 have been determined using a gross of tax discount rate. The benefit obligations as at 31 December 2011 and 31 December 2012 have also been re-measured using a gross discount rate.

Assumptions

The discount rate is determined with reference to market yields on New Zealand government bonds with a term that is consistent with the estimated term of the benefit obligation. The discount rate of 5.1% used in the 31 December 2013 disclosures is based on the Risk-free Discount Rates produced by the Treasury at 31 December 2013 with no adjustment for investment tax. Using the assumptions adopted for the 2013 disclosures the duration of the benefit obligation is 12 years. The benefit obligations at 31 December 2011 and 31 December 2012 have been calculated using discount rates of 3.8% and 3.9% respectively.

The Church of Jesus Christ of Latter-day Saints Trust Board

Notes to the financial statements
For the year ended 31 December 2013
In thousands of New Zealand Dollars

Deseret Benefit Plan (continued)

Member pensioner mortality has been based on NZLT 2010-2012 mortality tables, set back by 1 year, together with an age related future mortality improvement scale, starting from 2011. For the 2012 disclosures pensioner mortality was based on NZLT 2005-2007 set back by 1 year, together with an age related future mortality improvement scale, starting from 2006.

The pension increase rate is nil in line with the International Benefit Committee's decision that future increases will not be considered except in extraordinary circumstances (2012: 0%).

The long term salary inflation rate has been assumed to be 4.0% pa (2012: 4.0%). Retirement age is 60 years for all active members.

Members are assumed to commute 25% of their pension entitlement for a lump sum at retirement.

ESCT is assumed to be 33% for all beneficiaries.

Accounting Policy

Actuarial gains and losses are recognised in Statement of Comprehensive Income in the year in which they occur.

Nature of benefits

Active members have Defined Benefit style benefits with a pension payable on retirement, although partial commutation is allowed. Members can also contribute to a subsidised voluntary accumulation section. In addition, the Plan has pensioner and disability pensioner members.

Reconciliation of the Net Defined Benefit Liability/ (Asset)

As trustee of the Pension Plan, the Trust is liable for any under-funded past service pension obligations.

Period ending	2013	2012
Net defined benefit liability/ (asset) at begining of year	**(1,756)**	**223**
(+) Current service cost	1,205	1,211
(+) Net interest on the net defined benefit liability / (asset)	(89)	(13)
(+) Past service costs	-	-
(+) (Gains)/ Losses arising from settlements	-	-
(-) Actuarial return on plan assets less interest income	(3,188)	(3,203)
(+) Actuarial (gains) / losses arising from changes in demographic assumptions	21	1,803
(+) Actuarial (gains) / losses arising from changes in financial assumptions	(3,811)	(750)
(+) Actuarial (gains) / losses ariring from liability experience	(67)	376
(+) Adjustment for effect of asset ceiling	-	-
(-) Company contributions	(1,324)	(1,403)
Net defined benefit liability/ (asset) at end of year without ontribution tax	**(9,009)**	**(1,756)**
Contributions tax	(4,437)	(865)
Liability / (Asset) with Contributions Tax	**(13,446)**	**(2,621)**
Reconciliation of the fair value of Plan assets		
Fair value of Plan assets at beginning of the year	33,615	29,024
(+) Interest income	1,297	1,097
(+) Actuarial return on plan less interest income	3,188	3,203
(+) Company contributions	1,324	1,403
(+) Contributions by plan participants	631	639
(-) Benefits paid	(2,317)	(1,363)
(-) Premiums and expenses paid	(427)	(388)
(+) Transfers in	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
Fair value of Plan assets at end of the year	**37,311**	**33,615**

Notes to the financial statements
For the year ended 31 December 2013
In thousands of New Zealand Dollars

Deseret Benefit Plan (continued)

Reconciliation of the defined benefit obligation	2013	2012
Present value of defined benefit obligation at beginning of the year	**31,859**	**29,247**
(+) Current service cost	1,205	1,211
(+) Interest expense	1,208	1,084
(+) Contributions by participants	631	639
(+) Actuarial (gains)/ Losses arising from changes in demographic assumpt	21	1,803
(+) Actuarial (gains)/ Losses arising from changes in financial assumptions	(3,811)	(750)
(+) Actuarial (gains)/ Losses arising from liability experience	(67)	376
(-) Benefits paid	(2,317)	(1,363)
(-) Permiums and expenses paid	(427)	(388)
(+) Transfers in	-	-
(+) Past service cost	-	-
(+) Curtailments	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
Present value of defined benefit obligation at end of the year	**28,302**	**31,859**

Reconciliation of the effect of the asset ceiling
The asset ceiling has no impact on the net defined benefit liability/ (asset).

Fair value of Assets

Asset category	**Total**	**Quoted prices in active markets**	**No quoted prices in active markets**
Net current assets/ (liabilities)	681	-	681
Equity instruments	-	-	-
Debt instruments	-	-	-
Real estate	-	-	-
Derivatives	-	-	-
Investment funds - Australasian Equity	6,349	6,349	-
Investment funds - International Equity	13,992	13,992	-
Investment funds - Fixed Income	10,513	10,513	-
Investment funds - Cash	2,155	2,155	-
Investment funds - Property	3,621	3,621	-
Asset-backed securities	-	-	-
Structured debt	-	-	-
Total	**37,311**	**36,630**	**681**

The percentage invested in each asset class at the balance sheet date:	2013	2012
Australasian Equity	18%	21%
International Equity	38%	37%
Fixed Income	28%	22%
Property	10%	11%
Other	0%	0%
Cash	6%	9%
	100%	100%

The fair value of assets includes no amount relating to:
- any of the Church's own financial instruments
- any property occupied by, or other assets used by the Plan.

Funding arrangements
The funding objective adopted at the 31 March 2012 actuarial investigation of the Plan is to ensure that the Plan's assets are not less than the value of accrued benefits.

Expected contributions	***Period ending***	**31-Dec-13**	**31-Dec-14**
Expected employer contributions (net of contributions tax)		1,216	1,017

The Church of Jesus Christ of Latter-day Saints Trust Board

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Deseret Benefit Plan (continued)

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 11.6 years. The undiscounted average expected term of the defined benefit liabilities is 18.2 years.

Supplemental information

Reconciliation of the assets and liabilities recognised in the balance sheet	2013	2012
Defined benefit obligation	28,302	31,859
(-) Fair value of assets	(37,311)	(33,615)
(-) Unrecognised past service cost	-	-
(+) Adjustment for limitation on net asset	-	-
Liability/ (Asset)	**(9,009)**	**(1,756)**
Contributions tax	(4,437)	(865)
Liability/ (Asset) with contributions tax	**(13,446)**	**(2,621)**

Expense recognised in the income statement	2013	2012
Current service cost	1,205	1,211
Net interest cost	(89)	(13)
Past service cost6	-	-
Gain/ (loss) on settlement	-	-
Superannuation expense/ (Income)	**1,116**	**1,198**
Contributions tax	550	590
Superannuation expense/ (Income) with contributions tax	**1,666**	**1,788**

Amounts recognised in other comprehensive income	2013	2012
Actuarial (gains)/ losses	(3,857)	1,429
(-) Actuarial return on assets less interest income	(3,188)	(3,203)
(+) Adjustment for the effect of the Asset Ceiling	-	-
Total Recognised via OCI	**(7,045)**	**(1,774)**
Contributions tax	(3,470)	(874)
Total Recognised viz OCI with Contributions Tax	**(10,515)**	**(2,648)**

Movement in the net liability recognised in the balance sheet	2013	2012
Opening liability/ (Asset) with contributions tax	**(2,621)**	**333**
Superannuation expense/ (income)	1,666	1,788
Employer contributions	(1,976)	(2,094)
Amount of loss/ (gain) recognised via OCI	(10,515)	(2,648)
Closing liability/ (asset) with contributions tax	**(13,446)**	**(2,621)**

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14 Property, plant and equipment

31 December 2013

	Land and improvements	Buildings and improvements	Furniture and fittings	Equipment	Vehicles	Total
Cost						
Balance 1 January 2013	63,305	199,675	221	401	6,666	270,268
Additions	3,319	13,671	33	44	3,328	20,395
Disposals	-	-	-	-	(410)	(410)
Balance 31 December 2013	66,624	213,346	254	445	9,584	290,253
Accumulated depreciation and impairment						
Balance 1 January 2013	(22,268)	(75,940)	(115)	(336)	(1,893)	(100,552)
Depreciation expense	(2,103)	(8,877)	(64)	(89)	(1,006)	(12,139)
Written back on disposal/adjusted for residual	-		-	-	585	585
Balance 31 December 2013	(24,371)	(84,817)	(179)	(425)	(2,314)	(112,106)
Carrying amount 31 December 2013	42,253	128,529	75	20	7,270	178,146

As at 31 December 2013 all property, plant and equipment of the Group was held by the Trust.

All items of plant,equipment and vehicles are capitalised only if the individual value is greater than US$10,000. All items with individual value below US$10,000 are expensed. Amount expensed 2013 $2,193,931 (2012: $1,866,005)

In thousands of New Zealand Dollars

Property, plant and equipment (continued)

31 December 2012

	Land and improvements	Buildings and improvements	Furniture and fittings	Equipment	Vehicles	Total
Cost						
Balance 1 January 2012	60,090	198,318	239	371	5,604	264,622
Additions	3,423	1,571	-	30	2,446	7,470
Disposals	(208)	(214)	(18)	-	(1,384)	(1,824)
Balance 31 December 2012	63,305	199,675	221	401	6,666	270,268
Accumulated depreciation and impairment						
Balance 1 January 2012	(20,241)	(69,391)	(96)	(264)	(2,259)	(92,251)
Depreciation expense	(2,028)	(6,677)	(37)	(72)	(450)	(9,264)
Written back on disposal	1	128	18	-	816	963
Balance 31 December 2012	(22,268)	(75,940)	(115)	(336)	(1,893)	(100,552)
Carrying amount 31 December 2012	41,037	123,735	106	65	4,773	169,716

As at 31 December 2012 all property, plant and equipment of the Group was held by the Trust.

In thousands of New Zealand Dollars

15 Reconciliation of profit for the year to net cash flows from operations

	Trust	
	2013	**2012**
Surplus for the year	10,460	(1,207)
Other comprehensive income	10,515	2,648
Non cash items		
Depreciation	12,276	10,372
Revaluation DBP Asset	(10,825)	(8,269)
Movement in Equity	-	-
Items classified as investing activities		
Gain/(loss) on disposal of property, plant and equipment	(231)	(546)
Increase/decrease in investment	-	-
Movement in working capital		
Decrease/(increase) in trade and other payables	107	553
Decrease/(increase) in employee entitlements	(203)	7
Increase/(decrease) in trade debtors and other receivables	476	1,245
Increase/(decrease) in inventories	-	-
Net cash flow from operating activities	22,575	4,802

16 Lease commitments

	Trust	
Operating lease commitments payable		
Minimum lease payments under non-cancellable	**2013**	**2012**
Not later than one year	770	570
Between one and two years	926	563
Two years to three years	865	317
	2,561	1,450

The Trust leases property, plant and equipment in the normal course of its operations. Leases can be renewed at the Trust's option.

17 Capital Management

Capital includes retained earnings of the Trust. The primary objective of the Trust's capital management policy is to ensure working capital is maintained in order to support its activities. The Trust manages its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgeted discretionary expenditure is reduced to ensure external financing is not required.

Helping in the Community - Volunteers in the Auckland suburb of Papatoetoe cleaned up graffiti as part of New Zealand's 6th annual Mormon Helping Hands Day.

In thousands of New Zealand Dollars

18 Equity reserves

2013	Opening	Transfer from/(to) retained earnings	Closing
Missionary Funds	20,673	956	21,629
Book of Mormon Fund	136	16	152
Humanitarian Aid Fund	2	-	2
Temple Funds	-	-	-
Restricted Funds	28	29	57
	20,839	1,001	21,840

2012	Opening	Transfer from/(to) retained earnings	Closing
Missionary Funds	19,670	1,003	20,673
Book of Mormon Fund	120	16	136
Humanitarian Aid Fund	2	-	2
Temple Funds	-	-	-
Restricted Funds	-	28	28
	19,792	1,047	20,839

All movements to and from Equity Reserves are through the Retained Earnings equity account in the Statement of Changes in Equity. No equity reserve movements are taken directly to equity and movements in equity reserves do not impact the Statement of Comprehensive Income.

Missionary Funds

The missionary support fund represents donations from the members in New Zealand towards the costs of the Church's worldwide missionary fund program which is co-ordinated and administered by The Corporation of the President of The Church of Jesus Christ of Latter-day Saints. Funds authorised for specified missionaries serving in New Zealand are released evenly over their mission term of either 18 months or two years. Currently, donations received from members are not adequate to cover the expenses associated with missionaries serving in New Zealand. The "shortfall" is funded from the unrestricted funds and brings the balance of this fund at year end to "nil."

Book of Mormon Fund

These funds are donated by the members towards the production and distribution costs of The Book of Mormon Another Testament of Jesus Christ. These expenses are recorded by The Church of Jesus Christ of Latter-day Saints in Salt Lake City.

Humanitarian Aid Fund

These funds are donated by the members to help fund the program of Humanitarian Aid approved by The Church of Jesus Christ of Latter-day Saints for aid throughout the world. Currently, donations received from members is not adequate to cover the expenses associated with aid received in New Zealand. The "shortfall" is funded from the unrestricted funds and brings the balance of this fund at year end to "nil."

Temple Funds

These funds are donated by the members towards the cost of constructing temples by The Church of Jesus Christ of Latter-day Saints in any country throughout the world.

Restricted funds

The Church operates a number of Restricted Funds to record amounts received over the years through bequests and testaments from members, the use of which is restricted. The bequest and testaments can only be used in accordance with benefactor's specific directions. The interest earned on the bequest and testaments is added to the original fund and similarly may only be used in accordance with the benefactor's specific directions.

In thousands of New Zealand Dollars

19 Related parties

(a) Parent and ultimate controlling party

The ultimate controlling party of the Trust is The Church of Jesus Christ of Latter-day Saints Trust Board.

(b) Transactions with related parties

The Trust has a related party relationship with its Church Head Office in Salt Lake City, USA.

The Trust receives grants from the Church Head Office in Salt Lake City, USA, which subsidises part of the Trust's costs in performing its services. These amounts are recorded as grant income and is reported within the category of other revenue in the Statement of Comprehensive Income. Grant income totaled $22.5 million during the year ended 31 December 2013 (2012: $1.0 million).

(c) Key management personnel

The Trust and Group has a related party relationship with its trustees, directors and executive officers.

	Trust	
	2013	**2012**
Trustee fees	-	-
Executive management remuneration	1,092	1,010

Total remuneration paid to key management personnel is made up of short-term employee benefits. No other post employment benefits, termination benefits or long term benefit arrangements have been expensed in the years reported.

20 Financial instruments

The carrying amount of all material balance sheet assets and liabilities are considered to be equivalent to their fair value . The Trust has no off balance sheet financial instruments.

All financial assets held by the Trust are classified as "loans and receivables" and carried at cost less accumulated impairment losses or "financial instruments at fair value through profit or loss.

All financial liabilities are measured at amortised cost using the effective interest rate method.

(a) Risk management analysis

The Trust is exposed to various risks in relation to financial instruments. The main types of risk are credit risk and liquidity risk. The Trust has a series of policies to manage the risk associated with financial instruments. Policies have been established which do not allow transactions that are speculative in nature to be entered into.

(i) Credit risk

Credit risk is the risk that a third party default on its obligation to the Trust, causing the Trust to incur losses. The Trust has no significant concentration of credit risk in relation to cash and accounts receivable. The Trust does not expect the non-performance of any obligations at balance date. The carrying amount of trade and other receivables represents the Trust's maximum exposure to credit risk at balance date.

The Trust at balance date has no accounts receivable past due, that have not been provided for.

Notes to the financial statements
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20 Financial instruments (continued)

(ii) Liquidity risk

Liquidity risk represents the Trust 's ability to meet its contractual obligations as they fall due. The Trust manages liquidity risk by managing cash flows and ensuring that adequate credit lines are in place to cover potential short falls.

Trust 2013 *Contractual cash flows of financial instruments held*	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 - 12 months**	**Greater than 12 months**
Assets					
Cash and cash equivalents	6,452	6,452	6,452	-	-
Trade debtors and other receivables	1,455	1,455	1,455	-	-
Investments	-	-	-	-	-
	7,907	7,907	7,907	-	-
Liabilities					
Trade and other payables	1,754	1,754	1,754	-	-
Operating leases	-	2,561	385	385	926
Capital commitments	-	-	-	1,062	-
	1,754	4,315	2,139	1,447	926
Net liquidity position	6,153	3,592	5,768	(1,447)	(926)

Trust 2012 *Contractual cash flows of financial instruments held*	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 - 12 months**	**Greater than 12 months**
Assets					
Cash and cash equivalents	4,353	4,353	4,353	-	-
Trade debtors and other receivables	1,931	1,931	1,931	-	-
Investments	-	-	-	-	-
	6,284	6,284	6,284	-	-
Liabilities					
Trade and other payables	1,647	1,647	1,647	-	-
Operating leases	-	1,450	285	285	563
Capital commitments	-	1,998	1,998	-	-
	1,647	5,095	3,930	285	563
Net liquidity position	4,636	1,188	2,353	(285)	(563)

(b) Financial instrument classification

All financial assets held by the Trust are classified as loans and receivables and measured at cost.

All financial liabilities held by the Trust are classified as loans and receivables and measured at amortised cost using the effective interest rate method.

Notes to the financial statements
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21 Capital commitments

The Trust has capital commitments at balance date of $1,062,213 (2012: $1,998,606).

22 Contingent liabilities

The Trust has no contingent liabilities at balance date (2012: Nil).

23 Subsequent events

There were no subsequent events.

24 Audit

The Financial Statements have not been audited.

To learn more about *the Church of Jesus Christ of Latter-day Saints*, to find out about our beliefs and what we do, and to see stories about our members who live in your communities look us up on Facebook at Mormon.org